

House File 2562

HOUSE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2501)
(SUCCESSOR TO HF 2114)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to electrical and mechanical amusement devices
2 that are required to be registered with the department of
3 inspections and appeals, establishing fees, making an
4 appropriation, making penalties applicable, and including an
5 effective and retroactive applicability provision.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
7 TLSB 5225HZ 80
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1 1 Section 1. Section 99B.1, Code Supplement 2003, is amended
2 by adding the following new subsections:
1 3 NEW SUBSECTION. 11A. "Distributor" means, for the
1 4 purposes of sections 99B.10, 99B.10A, and 99B.10B, any person
1 5 that owns electrical and mechanical amusement devices
1 6 registered as provided in section 99B.10, subsection 4, that
1 7 are offered for use at more than a single location or
1 8 premises.
1 9 NEW SUBSECTION. 16A. "Manufacturer" means, for the
1 10 purposes of sections 99B.10, 99B.10A, and 99B.10B, any person
1 11 engaged in business in this state who originally produces an
1 12 electrical and mechanical amusement device required to be
1 13 registered under section 99B.10, subsection 4, or individual
1 14 components for use in such a device.
1 15 NEW SUBSECTION. 16B. "Manufacturer's representative"
1 16 means, for the purposes of sections 99B.10, 99B.10A, and
1 17 99B.10B, any person engaged in business in this state who
1 18 promotes or sells electrical and mechanical amusement devices
1 19 required to be registered under section 99B.10, subsection 4,
1 20 or individual components for use in such devices on behalf of
1 21 a manufacturer of such devices or components.
1 22 NEW SUBSECTION. 19A. "Owner" means, for the purposes of
1 23 sections 99B.10A and 99B.10B, any person who owns an operable
1 24 electrical and mechanical amusement device required to be
1 25 registered under section 99B.10, subsection 4.
1 26 Sec. 2. Section 99B.10, subsection 4, Code Supplement
1 27 2003, is amended to read as follows:
1 28 4. Each electrical and mechanical amusement device in
1 29 operation or distributed in this state that awards a prize, as
1 30 provided in this section, where the outcome is not primarily
1 31 determined by the skill or knowledge of the operator, is
1 32 registered by the department as provided by this subsection
1 33 and is only located on premises for which a class "A", class
1 34 "B", class "C", or class "D" liquor control license or class
1 35 "B" or class "C" beer permit has been issued pursuant to
2 1 chapter 123. For an organization that meets the requirements
2 2 of section 99B.7, subsection 1, paragraph "m", no more than
2 3 four, and for all other persons, no more than two electrical
2 4 and mechanical amusement devices registered as provided by
2 5 this subsection shall be permitted or offered for use in any
2 6 single location or premises for which a class "A", class "B",
2 7 class "C", or class "D" liquor control license or class "B" or
2 8 class "C" beer permit has been issued pursuant to chapter 123.
2 9 Each person owning an electrical and mechanical amusement
2 10 device in this state shall obtain a registration tag for each
2 11 electrical and mechanical amusement device owned that is
2 12 required to be registered as provided in this subsection.
2 13 Upon receipt of an application and a fee of twenty-five
2 14 dollars for each device required to be registered, the
2 15 department shall issue an annual registration tag which tag
2 16 shall be displayed as required by rules adopted by the
2 17 department. The application shall be submitted on forms
2 18 designated by the department and contain the information

2 19 required by rule of the department. A registration may be
2 20 renewed annually upon submission of a registration application
2 21 and payment of the annual registration fee and compliance with
2 22 this chapter and the rules adopted pursuant to this chapter.
2 23 However, the number of electrical and mechanical amusement
2 24 devices registered by the department under this subsection
2 25 shall not exceed the total number of devices registered by the
2 26 department as of the effective date of this Act. In addition,
2 27 the department shall not initially register an electrical and
2 28 mechanical amusement device that is required to be registered
2 29 as provided in this subsection to an owner for a location for
2 30 which only a class "B" or class "C" beer permit has been
2 31 issued pursuant to chapter 123 on or after the effective date
2 32 of this Act. A person owning or leasing an electrical and
2 33 mechanical amusement device required to be registered under
2 34 this subsection shall only own or lease an electrical and
2 35 mechanical amusement device that is required to be registered
3 1 that has been purchased from a manufacturer, manufacturer's
3 2 representative, or distributor registered with the department
3 3 under section 99B.10A and shall not advertise or promote the
3 4 availability of the device to the public as anything other
3 5 than an electrical and mechanical amusement device pursuant to
3 6 rules adopted by the department. In addition, an owner at a
3 7 location for which only a class "B" or class "C" beer permit
3 8 has been issued pursuant to chapter 123 shall not relocate an
3 9 amusement device registered as provided in this subsection to
3 10 a location other than the location of the device on the
3 11 effective date of this Act, and shall not transfer, assign,
3 12 sell, or lease an amusement device registered as provided in
3 13 this subsection to another person for which only a class "B"
3 14 or class "C" beer permit has been issued pursuant to chapter
3 15 123 after the effective date of this Act.

3 16 Sec. 3. Section 99B.10, Code Supplement 2003, is amended
3 17 by adding the following new subsections:

3 18 NEW SUBSECTION. 5A. Each electrical or mechanical
3 19 amusement device required to be registered as provided by this
3 20 section shall, by January 1, 2006, include on the device a
3 21 counting mechanism which establishes the volume of business of
3 22 the device. The department and the department of public
3 23 safety shall have access to the information provided by the
3 24 counting mechanism.

3 25 NEW SUBSECTION. 5B. Each electrical or mechanical
3 26 amusement device required to be registered as provided by this
3 27 section at a location for which only a class "B" or class "C"
3 28 beer permit has been issued pursuant to chapter 123 shall
3 29 include on the device a security mechanism which prevents the
3 30 device from being operated by a person until action is taken
3 31 by the owner or owner's designee to allow the person to
3 32 operate the device.

3 33 Sec. 4. Section 99B.10A, Code Supplement 2003, is amended
3 34 to read as follows:

3 35 99B.10A MANUFACTURERS AND DISTRIBUTORS OF ELECTRICAL AND
4 1 MECHANICAL AMUSEMENT DEVICES == REGISTRATION.

4 2 1. A person engaged in business in this state as a
4 3 manufacturer, manufacturer's representative, ~~or distributor,~~
4 4 ~~or for-profit owner~~ of electrical and mechanical amusement
4 5 devices required to be registered as provided in section
4 6 99B.10, subsection 4, shall register with the department.
4 7 Each person who registers with the department under this
4 8 section shall pay an annual registration fee ~~of two thousand~~
4 9 ~~five hundred dollars in an amount as provided in subsection 2.~~
4 10 Registration shall be submitted on forms designated by the
4 11 department that shall contain the information required by the
4 12 department by rule. The department shall adopt rules
4 13 providing for the submission of information to the department
4 14 by a person registered pursuant to this section if information
4 15 in the initial registration is changed, including
4 16 discontinuing the business in this state.

4 17 2. For purposes of this section, the annual registration
4 18 fee shall be as follows:

4 19 a. For a manufacturer or manufacturer's representative,
4 20 two thousand five hundred dollars.

4 21 b. For a distributor, five thousand dollars.

4 22 c. For an owner of no more than two electrical and
4 23 mechanical amusement devices registered as provided in section
4 24 99B.10, subsection 4, at a single location or premises that is
4 25 not an organization that meets the requirements of section
4 26 99B.7, subsection 1, paragraph "m", two thousand five hundred
4 27 dollars.

4 28 Sec. 5. Section 99B.10B, Code Supplement 2003, is amended
4 29 to read as follows:

4 30 99B.10B REVOCATION OF REGISTRATION == ELECTRICAL AND
4 31 MECHANICAL AMUSEMENT DEVICES.
4 32 1. The department may revoke a registration issued
4 33 pursuant to section 99B.10 or 99B.10A, for a period not to
4 34 exceed two years, for cause, following at least ten days'
4 35 written notice and opportunity for an evidentiary hearing,
5 1 pursuant to rules adopted by the department. The rules shall
5 2 provide that a registration may be revoked if the registrant
5 3 or agent of the registrant violates, or permits a violation,
5 4 of section 99B.10 or 99B.10A, violates any rule adopted by the
5 5 department under this chapter that the department determines
5 6 should warrant revocation of the registration, or engages in
5 7 any act or omission that would have permitted the department
5 8 to refuse to issue a registration under section 99B.10 or
5 9 99B.10A.

5 10 2. The department shall revoke a registration issued
5 11 pursuant to section 99B.10 or 99B.10A, for a period of ten
5 12 years following at least ten days' written notice and
5 13 opportunity for an evidentiary hearing, if a person awards a
5 14 cash prize in violation of section 99B.10, subsection 1,
5 15 pursuant to rules adopted by the department. A person whose
5 16 registration is revoked under this subsection who is a person
5 17 for which a class "A", class "B", class "C", or class "D"
5 18 liquor control license has been issued pursuant to chapter 123
5 19 shall have the person's liquor control license suspended for a
5 20 period of fourteen days in the same manner as provided in
5 21 section 123.50, subsection 3, paragraph "a". In addition, a
5 22 person whose registration is revoked under this subsection who
5 23 is a person for which only a class "B" or class "C" beer
5 24 permit has been issued pursuant to chapter 123 shall have the
5 25 person's class "B" or class "C" beer permit suspended and that
5 26 person's sales tax permit suspended for a period of fourteen
5 27 days in the same manner as provided in section 123.50,
5 28 subsection 3, paragraph "a".

5 29 Sec. 6. NEW SECTION. 99B.10C ELECTRICAL AND MECHANICAL
5 30 AMUSEMENT DEVICES == PERSONS UNDER TWENTY=ONE == PENALTIES.
5 31 1. A person under the age of twenty=one years shall not
5 32 participate in the operation of an electrical and mechanical
5 33 amusement device. A person who violates this subsection
5 34 commits a scheduled violation under section 805.8C, subsection
5 35 4.

6 1 2. A person owning or leasing an electrical and mechanical
6 2 amusement device who knowingly allows a person under the age
6 3 of twenty=one years to participate in the operation of an
6 4 electrical and mechanical amusement device, or a person who
6 5 knowingly participates in the operation of an electrical and
6 6 mechanical amusement device, with a person under the age of
6 7 twenty=one years is guilty of a simple misdemeanor.

6 8 3. For purposes of this section, an electrical and
6 9 mechanical amusement device means an electrical and mechanical
6 10 amusement device required to be registered as provided in
6 11 section 99B.10, subsection 4.

6 12 Sec. 7. Section 805.8C, Code 2003, is amended by adding
6 13 the following new subsection:

6 14 NEW SUBSECTION. 4. ELECTRICAL AND MECHANICAL AMUSEMENT
6 15 DEVICE VIOLATIONS. For violations of legal age for operating
6 16 an electrical and mechanical amusement device required to be
6 17 registered as provided in section 99B.10, subsection 4,
6 18 pursuant to section 99B.10C, subsection 1, the scheduled fine
6 19 is two hundred fifty dollars. Failure to pay the fine by a
6 20 person under the age of eighteen shall not result in the
6 21 person being detained in a secure facility.

6 22 Sec. 8. 2003 Iowa Acts, chapter 147, section 5, is amended
6 23 to read as follows:

6 24 SEC. 5. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES ==
6 25 SPECIAL FUND. Fees collected by the department of inspections
6 26 and appeals pursuant to ~~section~~ sections 99B.10 and 99B.10A
6 27 for the fiscal years beginning July 1, 2003, and July 1, 2004,
6 28 shall be deposited in a special fund created in the state
6 29 treasury. Moneys in the fund are appropriated to the
6 30 department of inspections and appeals and the department of
6 31 public safety for administration and enforcement of sections
6 32 99B.10 and 99B.10A, including employment of necessary
6 33 personnel. The distribution of moneys in the fund to the
6 34 department of inspections and appeals and the department of
6 35 public safety shall be pursuant to a written policy agreed
7 1 upon by the departments. Notwithstanding section 12C.7,
7 2 subsection 2, interest or earnings on moneys deposited in the
7 3 fund shall be credited to the fund.

7 4 Sec. 9. 2003 Iowa Acts, chapter 147, section 6, is amended
7 5 to read as follows:

7 6 SEC. 6. DEPARTMENTAL REPORT. The department of
7 7 inspections and appeals, in consultation with the department
7 8 of public safety, shall submit ~~a~~ an interim written report to
7 9 the general assembly by December 31, 2004, and a final written
7 10 report to the general assembly by September 1, 2005, with
7 11 copies to the committees on government oversight and state
7 12 government of the senate and house of representatives, that
7 13 provides details on the implementation of this Act, including
7 14 fees collected annually, and expenses by all state government
7 15 agencies for administration, registration issuance,
7 16 inspection, and other costs related to this Act. The
7 17 department shall also include information in the ~~report~~
7 18 reports as to its projections as to whether the fees collected
7 19 under this Act are properly set to cover future expenses of
7 20 applicable state agencies under this Act.

7 21 Sec. 10. ELECTRICAL AND MECHANICAL AMUSEMENT DEVICES ==
7 22 NONLIQUOR CONTROL LICENSEES == SPECIAL PROVISIONS.

7 23 1. Notwithstanding any provision of section 99B.10,
7 24 subsection 4, as amended by this Act, to the contrary, an
7 25 owner of an electrical and mechanical amusement device that
7 26 has been registered pursuant to section 99B.10, subsection 4,
7 27 prior to the effective date of this Act that is offered for
7 28 use by the public at a location for which a class "A", class
7 29 "B", class "C", or class "D" liquor control license or class
7 30 "B" or class "C" beer permit has not been issued pursuant to
7 31 chapter 123 shall be allowed to offer the device for use by
7 32 the public until July 1, 2005.

7 33 2. On and after July 1, 2005, an owner of an electrical
7 34 and mechanical amusement device as described in subsection 1
7 35 shall not offer the device for use by the public. However,
8 1 the owner of a device shall be permitted to sell the device to
8 2 a distributor, as defined in section 99B.1, as amended by this
8 3 Act, or to a person authorized to offer the device to the
8 4 public pursuant to section 99B.10, subsection 4, as amended by
8 5 this Act for which a class "A", class "B", class "C", or class
8 6 "D" liquor control license or class "B" or class "C" beer
8 7 permit has been issued pursuant to chapter 123.

8 8 Sec. 11. EFFECTIVE DATE == RETROACTIVE APPLICABILITY.

8 9 1. This Act, being deemed of immediate importance, takes
8 10 effect upon enactment.

8 11 2. The section of this Act amending 2003 Iowa Acts,
8 12 chapter 147, section 5, is retroactively applicable to July 1,
8 13 2003, and is applicable on and after that date.

8 14 HF 2562
8 15 ec/es/25